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**IFAD**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**Executive Board – Eighty-seventh Session**

Rome, 19-20 April 2006

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

**REPUBLIC OF THE CONGO**

FOR THE

**RURAL DEVELOPMENT PROJECT IN  
THE NIARI, BOUENZA AND LÉKOUMOU DEPARTMENTS**



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**CURRENCY EQUIVALENTS**

Currency unit	=	CFA franc (BEAC) (XAF)
USD 1.00	=	XAF 700
XAF 100	=	USD 0.143

**WEIGHTS AND MEASURES**

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft <sup>2</sup> )
1 acre (ac)	=	0.405 hectare (ha)
1 ha	=	2.47 acres

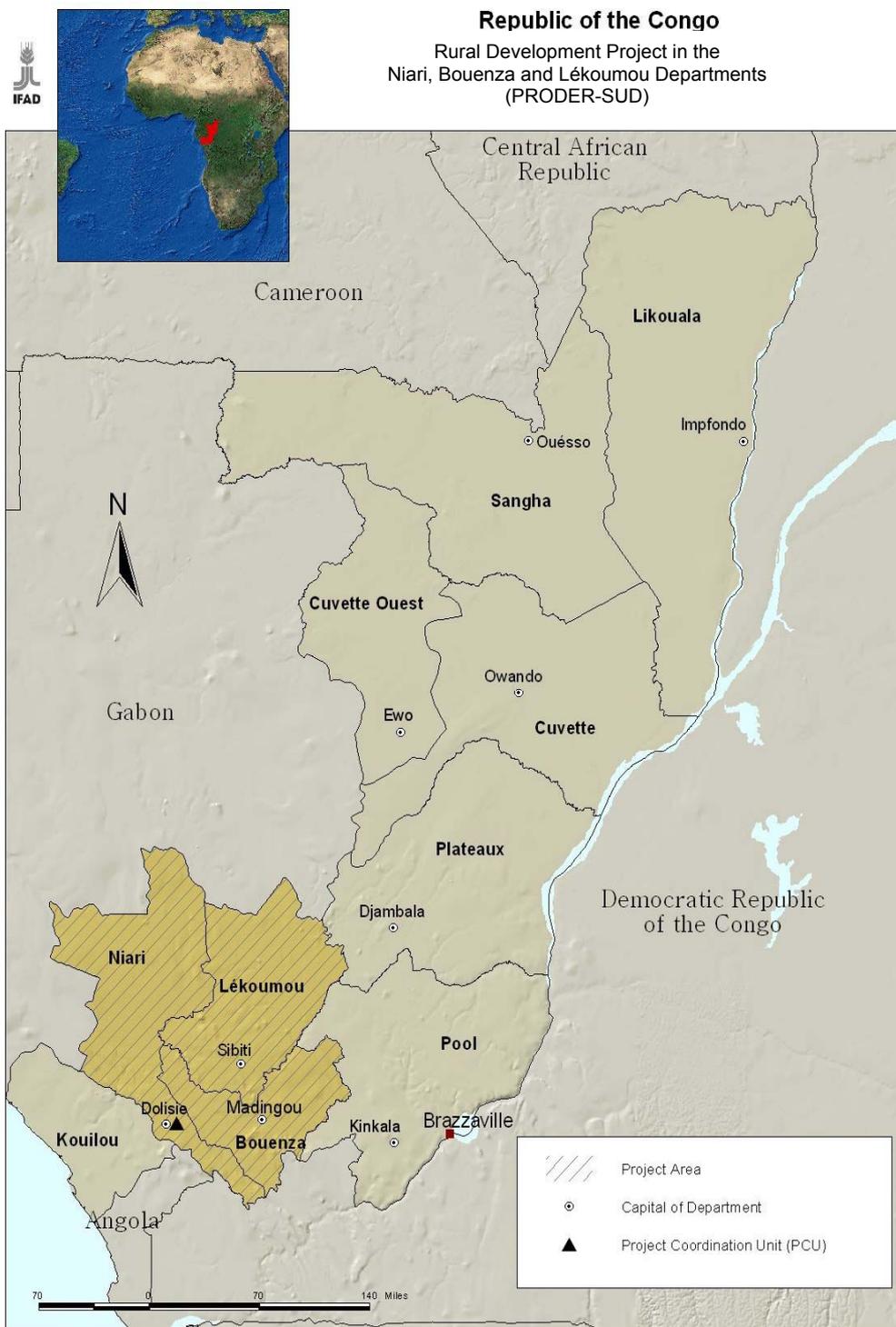
**ABBREVIATIONS AND ACRONYMS**

AWP/B	annual work plan and budget
M&E	monitoring and evaluation
PCU	project coordination unit
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services

**GOVERNMENT OF THE REPUBLIC OF THE CONGO****Fiscal Year**

1 January – 31 December

MAP OF THE PROJECT AREA



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

**REPUBLIC OF THE CONGO**  
**RURAL DEVELOPMENT PROJECT IN**  
**THE NIARI, BOUENZA AND LÉKOUMOU DEPARTMENTS**

**LOAN SUMMARY**

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Republic of the Congo
<b>EXECUTING AGENCY:</b>	Ministry of Agriculture, Livestock and Fisheries
<b>TOTAL PROJECT COST:</b>	USD 20.8 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 5.9 million (equivalent to approximately USD 8.4 million)
<b>TERMS OF IFAD LOAN:</b>	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum.
<b>COFINANCIERS:</b>	Organization of the Petroleum Exporting Countries Fund for International Development (OPEC Fund)
<b>AMOUNT OF COFINANCING:</b>	USD 7.5 million
<b>TERMS OF COFINANCING:</b>	Highly concessional
<b>CONTRIBUTION OF BORROWER:</b>	USD 4.4 million <sup>a</sup>
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 545 000
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	United Nations Office for Project Services

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<sup>a</sup> The Government's contribution will be in the form of taxes and import duties (USD 3.0 million) and a road maintenance fund (USD 1.4 million).

## PROJECT BRIEF

**Who are the beneficiaries?** The beneficiaries are vulnerable rural poor communities living in the departments of Niari, Bouenza and Lékoumou of the Republic of the Congo, who have very limited access to markets and resources (in particular, financial resources). Such vulnerable groups include small subsistence farmers who depend mainly on rainfed agriculture and forest products for their livelihoods. Women and youth are particularly vulnerable, as they are traditionally excluded from decision-making processes and have even less access to resources and information.

**Why are they poor?** Low agricultural productivity, scant income-generating activities and lack of access to financial services are the main causes of poverty in the project area. Local communities are rarely involved in the decision-making process (constraints analysis of their situation, prioritization of the process, identification of solutions and implementation of appropriate activities). Marketing inefficiency; high transaction costs; weak organization in collecting and distributing agricultural products; rudimentary processing equipment; scarce financial services; and a frail communication system connecting producers, traders and consumers are all major problems afflicting rural areas throughout the Congo. These problems are particularly marked in the project area.

**What will the project do for them?** As marketing inefficiency and transport costs are the main constraints faced by smallholder producers and traders, the project will support the rehabilitation of rural infrastructure (in particular, feeder roads) to grant smallholders better access to markets. This will in turn increase the production of food and cash crops and improve farmers' incomes. The project will support the establishment of a maintenance system for local roads. It will also build the capacity of producers' organizations for the collection and group sale of agricultural products and the identification of agricultural markets. Farmers' organizations and groups will be strengthened to help them better market their products, and thereby improve their food security. The project will promote high-value products and will ensure farmers' access to better quality inputs (for example, seeds and plants). In particular, the project will support the widespread distribution and use of disease-resistant cuttings for cassava and improved seeds. Overall, the capacity of the local rural poor population will be enhanced under the project, and women and youth will receive particular assistance. The project will support the development of existing rural financial systems to enable them to provide appropriate and sustainable financial services to the rural poor.

**How will the beneficiaries participate in the project?** Participatory diagnostic and planning processes will ensure that target beneficiaries, especially women and youth (and their organizations), are effectively involved in identifying project activities. The project will help target communities and farmers' groups and associations strengthen their negotiation skills and other relevant capacities.

**How was the project formulated?** The project was formulated in a highly participatory way, receiving substantial input from stakeholders such as the Ministry of Agriculture, Livestock and Fisheries; the Ministry of Planning; the Ministry of Economy, Finance and Budget; the project beneficiaries and other local resources (such as traditional leaders, NGOs, farmers' organizations and private sector entities). The process also involved significant consultation with donors (i.e. the Food and Agriculture Organization of the United Nations, the World Bank, French cooperation, the United Nations Development Programme, the European Union, the United Nations Office for Project Services and the World Food Programme).

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I submit the following report and recommendation on a proposed loan to the Republic of the Congo for SDR 5.9 million (equivalent to approximately USD 8.4 million) on highly concessional terms to help finance the Rural Development Project in the Niari, Bouenza and Lékoumou Departments. The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum. It will be administered by the United Nations Office for Project Services as IFAD's cooperating institution.

**PART I – THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY<sup>1</sup>**

**A. The Economy and Agricultural Sector**

1. The Republic of the Congo is richly endowed with natural resources (oil, water, forests and arable land), but a legacy of centralized planning and economic mismanagement from the early 1980s and of ethnic conflict from the 1990s has left a large part of the population poor and vulnerable. Per capita GDP has steadily declined, falling from an oil-fuelled peak of USD 1 206 in 1985 to USD 950 in 1993, and to USD 670 in 1999. This figure masks extreme inequality in income distribution and unrealized potential benefits from oil wealth. Although the Congo is the third largest oil exporter in Africa (after Nigeria and Angola), successive governments have mortgaged future oil revenues at low prices to generate short-term gains to finance the war effort.

2. The recovery of the economy and rehabilitation of infrastructure have resumed since the signature of the peace agreement in 1999. During the period 1998-2000, excluding the oil subsector, economic growth was low, averaging 2.8%-2.9%, a rate similar to the country's population growth rate. Economic growth rose to about 7.6% in 2000 and levelled out at 3.8% in 2001 and 4.6% in 2002 as a result of the reign of stability in the country and the increase in oil and timber prices. However, with a per capita GDP of USD 720 in 2002 and a human development index of 0.502 (and a ranking of 140<sup>th</sup> among 175 countries surveyed), the Congo is today in a situation of a severe poverty. Furthermore, poverty is more widespread in rural areas, where per capita GDP is roughly only one to two thirds as high as in urban areas.

3. Agricultural development in the Congo has been largely neglected and the main trends are negative, despite vast untapped potential. Although about 40% of the active population is employed in the agricultural sector, agriculture accounts for just 6% of GDP and 1%-2% of total exports. The importance of agriculture in the national economy has declined over recent years and the agricultural growth rate is lower than the national economic growth rate.

4. In the Congo, more than 90% of total food production is undertaken by smallholders using traditional methods. The main food crops are cassava, banana plantains, groundnuts, yams and sweet potato, and maize. Other important secondary food crops include bananas, fruits and vegetables. Small

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<sup>1</sup> See Appendix I for additional information.

amounts of coffee and cocoa are cultivated for export, and palm for local consumption. There is a downward trend in most types of food crop production. National production does not meet local demand in spite of great agronomic potential. Agriculture is practised by about 145 000 smallholders, who cultivate an average of 1.4 hectare. Less than 2% of arable land in the Congo is cultivated.

5. Despite the liberalization of the economy (i.e. liberalization of agricultural marketing and of prices of agricultural products) only a small number of private operators have taken over the services that were once provided by the public sector. As a result, smallholders have difficulty selling their products, in particular their cash crops (coffee, rubber, cacao and palm oil) and food crops (maize, rice and potatoes).

6. **Post-conflict situation.** The war that struck Brazzaville and the southern departments severely affected the population in terms of: (a) human lives lost; (b) destruction of productive capacity and socio-economic infrastructure; (c) population displacement; and (d) increases in the prices of food crops and construction materials in cities. After the signing of the peace agreement in 1999, the Government, with support from donors, undertook a rehabilitation programme. This included the rehabilitation of basic infrastructure, demobilization and reinsertion of militias, and restoration of the productive capacity. Nevertheless, there is still work to be done before moving to the development phase.

7. The Congo is now in a phase of peace consolidation and economic recovery. The political transition is over: presidential and legislative elections were held in 2002, and voters accepted a new constitution. The Congo is emerging from its Interim Post-Conflict Programme. Today, the security situation is good throughout the country, except in Pool Department where a few pockets of insecurity remain. The security situation is good in the target departments of Niari, Lékoumou and Bouenza.

## **B. Lessons Learned from Previous IFAD Experience**

8. **IFAD's portfolio.** To date, IFAD has approved four loans, totalling SDR 22.0 million. These are: (i) the La Cuvette Artisanal Fisheries Project; (ii) the Kindamba Food Crops Development Project; (iii) the Marketing and Local Initiatives Project; and (iv) the Rural Development Project in the Plateaux, Cuvette and Western Cuvette Departments. The first three are closed and the last is operational.

9. The post-conflict strategy adopted by the country strategic opportunities paper aimed to: (a) facilitate the restoration of sustainable peace through interventions to ensure the transition from emergency assistance to rehabilitation, and (b) support social and economic development. These principles are still valid in the project area, where economic recovery is very slow because of: (a) mistrust among people who were badly affected by the war; (b) very slow take off by the private sector after a long period under a socialist economic system; and (c) the existence of pockets of insecurity in Pool Department that hindered rail transport in the project zone until 2004.

10. **Main lessons learned.** Marketing inefficiency and high transport costs are the main constraints facing smallholder producers and traders. The rehabilitation of rural transport infrastructure is a priority. Indeed, without a minimum level of physical access to the area, rural development activities are bound to fail. However, while road rehabilitation is essential, it is ineffective without an appropriate maintenance system.

11. In the Congo, experience has shown that market-driven approaches work best. The Kindamba project, which initially concentrated solely on production-related activities, soon encountered marketing bottlenecks. The development of market outlets and establishment of farmers' organizations improved performance towards the end of the project.

12. There is considerable scope for working more closely with existing institutions and informal farmers' groups. For instance, the La Cuvette Artisanal Fisheries Project promoted cooperative and pre-cooperative structures that were foreign concepts to local communities, while overlooking traditional systems of work organization. As a result, only a small number of fishers joined the cooperatives created by the project. For effective community-led approaches, it is important to be aware of existing social structures and use them as the foundation for collective endeavours.

13. Credit and savings interventions should emphasize the development of sustainable institutions, rather than injecting funds into rural areas for pre-conceived investments. For instance, the rural financial services component in the Marketing and Local Initiatives Project was highly decentralized and low in cost, thus allowing targeted financial institutions to operate effectively in remote areas. Rural microfinance should aim at developing institutions by linking village- and commune-based units with larger financial institution networks where they exist, and by initiating pilot operations in zones where there are no networks.

14. In rural Congo as elsewhere in Africa, women are the principal food crop producers. They play a critical role in marketing and other off-farm activities, and are also children's primary caregivers. Future IFAD interventions in the country should therefore continue to place strong emphasis on designing projects targeted at activities where women are major participants.

15. Performance-based contracting leads to greater project responsiveness. Efforts should therefore be made to streamline the associated institutional arrangements, improve relevant capacities and skills and promote greater decentralization.

16. Monitoring and evaluation (M&E) needs to be strengthened. The M&E units in the IFAD projects did not operate effectively. Generally, the units were weak, and were not viewed as project management tools. A clear distinction should be drawn between monitoring of project activities and monitoring of project impact on target groups. Impact assessment indicators capable of measuring more than simple increases in yields and agricultural production need to be developed. A benchmark survey for socio-economic and anthropometric indicators should be undertaken early in project implementation and repeated at project mid-term and completion.

### **C. IFAD's Strategy for Collaboration with the Congo**

17. **The Congo's policy for economic development and poverty reduction.** The Government's strategy for economy development is articulated in the "New Hope" document. The strategy contains a set of reforms that aim to restore an enabling environment for economic growth and poverty reduction, with the Government responsible for creating conditions conducive to enhancing civil society and private sector investment.

18. The master plan for rural development prepared in 1997 and updated in 2001 summarizes the Government's policy for agricultural and rural development. The main elements of the policy are: (a) redefinition of the state's role as one of regulation and support to the private sector; (b) liberalization of prices and markets for agricultural products, and the abolition of agricultural export taxes; (c) opening up of high-potential zones of production for agricultural, forest and fish products through the rehabilitation of rural roads and the establishment of sustainable road maintenance systems; (d) development of commodity chains with the involvement of all concerned partners; and (e) decentralization using a participatory approach that involves the rural population in the preparation, implementation and monitoring of development activities. In 2003, the Government adopted the agricultural development strategy for 2004-2013. This has five priority areas: (a) agricultural sector financing through the development of microfinance institutions and the creation of a national support fund to agriculture; (b) the rehabilitation and maintenance of rural roads and water access; (c) the improvement of the fiscal environment for agricultural development;

(d) provision of technical advice to producers; and (e) addressing the issue of land access. The implementation of the strategy is based on the following principles: (a) promoting beneficiaries' participation in community development; (b) supporting rural organizations; and (c) fostering synergy and partnership with relevant ministries and donors.

19. The Government, with support from donors, prepared in a participatory manner, an interim Poverty Reduction Strategy Paper as part of its programme for the Heavily Indebted Poor Countries Debt Initiative.

20. **The poverty eradication activities of other major donors.** A number of donors have been supporting relief and reconstruction efforts. Activities include: (a) the Agricultural Rehabilitation Project, a World Bank project under preparation, to be presented to the World Bank's executive board in June 2006; (b) the Cassava Production and Protection Project financed by the Food and Agriculture Organization of the United Nations (FAO); (c) the Emergency Project for Community Recovery and Support, financed by the World Bank and covering the country's ten departments; (d) the Emergency Project for Infrastructure Improvement and the Enhancement of Living Conditions, funded by the World Bank; (e) the second phase of the Micro-Realization Programme funded by the European Union; (f) a pilot rural road project funded by the European Union and the United Nations Development Programme (UNDP), which uses a highly labour-intensive method; and (g) the Special Programme for Food Security, funded by FAO.

21. **IFAD's strategy in the Congo.** The strategy, which is laid out in the COSOP prepared in 2002, takes into account the country's post-conflict situation by including interventions aimed primarily at bridging the relief-to-development gap. It emphasizes the need for a complementary mix of grants, supplementary funds and loans within the post-conflict context. To this end, interventions in the Congo pursue two overall mutually reinforcing objectives: to facilitate the transition to sustainable peace and to support economic and social development. To achieve the first objective, productive capacity needs to be restored, particularly in the southern part of the country (the location of the project zone) where productive capacity has been destroyed by war. The second objective will be achieved first by improving market access and second by undertaking research in new technologies and promoting their widespread use through extension.

22. IFAD's strategy for the Congo has been developed along four lines of action: (a) bridging the relief-to-development gap by restoring rural productive capacity; (b) empowering target smallholder farmers, local communities and youth by consolidating grass-roots organizations and building up effective rural organizations at the local level and, gradually, at the national level; (c) implementing a market-driven approach to promote marketable crops and products with the aim of removing local market constraints – with particular attention to rural transport infrastructure; and (d) improving the access of poor people to financial services. Each element of the strategy will be implemented taking into account the specific characteristics of the region. Thus, certain elements of the strategy are more suited to the south (post-conflict-oriented elements, in particular) and others, more to the north. Future IFAD interventions in the area of rural finance will aim at facilitating access to financial services and promoting the development of rural financial institutions.

23. In terms of area and sectoral coverage, IFAD's strategy is twofold, involving: (a) an area-based, integrated approach (combining economic, social and community development activities); and (b) subsector activities for such aspects as rural finance and natural resource management, depending on target group needs and IFAD's comparative advantage. Overall, IFAD post-conflict strategy in the Congo remains valid, as economic recovery has been slow because of: (a) mistrust among members of the population hard hit by the civil war; and (b) sporadic insecurity in Pool Department, which hampered rail transport in the project zone until 2004.

24. **Project rationale.** The Congo has untapped potential for agricultural development even if the existing technologies continue to be used. However, agricultural development is greatly hampered by the high transaction and marketing costs caused by the dire state of rural roads. Marketing opportunities are also compromised by the lack of organization by farmers in collecting and distributing produce, inadequate processing equipment and financial services, and a fragile communication system between producers and consumers. However, marketing inefficiency and high transaction costs are the primary constraints that face both producers and traders. The production constraints caused by the rudimentary nature of available technology are secondary and, in fact, stem from the primary constraints. Significantly, productivity is very low for crops and products that have good market potential and for crops in which Congolese smallholders have a comparative advantage.

25. Despite these constraints, there is much scope for agricultural development in the project zone. The climatic conditions are favourable and the security situation is good. In fact, the area was the country's main agricultural production zone before the war. A number of crops in which smallholders have a comparative advantage – such as cassava, maize, groundnuts and beans – are cultivated. Traditional groups and associations in the area also hold potential. With capacity-building, these could be built up into farmers' organizations capable of undertaking such activities as production, multiplication and diffusion of improved seeds and cuttings.

26. The proposed project strategy therefore aims to reduce the main constraints of marketing inefficiency and high transaction costs in order to improve the access of smallholders to markets. The strategy also aims to increase agricultural productivity by introducing higher quality varieties of some of the area's main crops – in particular, cassava – as a means of increasing smallholders' incomes and improving their food security. The project will also seek to broaden the range of implementing partners and partnerships whenever possible as a way to foster synergy and avoid duplication.

27. The project is in line with the Government's: (a) Poverty Reduction Strategy Paper; (b) rural development master plan; and (c) agricultural development strategies. It is also consistent with IFAD's strategic framework 2002-2006 and with the Western and Central Africa Division's regional strategy, inasmuch as it encompasses the following strategic objectives: (a) to strengthen the capacity of the rural poor and their organizations; (b) to increase agricultural and natural resource productivity and improve access to markets and technology; and (c) to improve the access of the rural poor to financial services and markets.

## **PART II – THE PROJECT**

### **A. Project Area and Target Group**

28. The proposed project will cover the three departments of Niari, Lékoumou and Bouenza. About 160 000 persons (or 30 000 households) will benefit from the project, representing approximately half of the total population of the three departments. Of these, 15 000 households will be direct beneficiaries. More broadly, it is expected the project interventions will be of general benefit to the population through improved rural infrastructure; empowerment of the rural poor, especially of women and youth through participation in the project activities; and the widespread use of improved cassava cuttings. There will be an emphasis on mainstreaming women into project activities.

### **B. Objectives and Scope**

29. The objective of the project is to increase sustainably the incomes and food security of the target population in the departments of Niari, Lékoumou and Bouenza. The specific objectives are to: (a) improve in a sustainable way access to markets and production zones; (b) support production, diversification and marketing in relation to food crops, livestock and fisheries; (c) strengthen the capacities of farmers' economic interest groups; and (d) facilitate the access of smallholders to financial services.

### C. Components

30. The project will be structured around five components: (a) access to markets and production zones; (b) support to crop, livestock and fisheries production and marketing; (c) support to rural water access; (d) development of financial services; and (e) project management and coordination.

31. **Access to markets and production zones.** The objective of this component is to open up agricultural production zones. The project will finance the rehabilitation and maintenance of rural roads in order to facilitate access to these high-potential zones. The highly labour-intensive approach will be used in rehabilitating feeder roads. Training will be provided to village inhabitants, NGOs and implementing agencies on this labour-intensive method. The project will partly finance rural road maintenance. It will also support the creation of rural road maintenance committees, which will be equipped with small tools.

32. **Support to crop, livestock and fisheries production and marketing.** The objective of this component is to increase the incomes of smallholders and diversify their sources of livelihood. The project will finance the production, multiplication and diffusion of improved varieties of food crops, especially cassava, maize, beans and groundnuts. The project will promote the widespread breeding and rearing of small animals, and the development of fish farming. Rural and community radio will be funded to broadcast price and market information. Farmers' economic interest groups will also receive training.

33. **Support to rural water access.** The objective of the component is to improve the access of smallholders to drinkable water. The project will finance the rehabilitation of village water holes or boreholes. It will also fund the establishment and training of village committees on water maintenance.

34. **Development of financial services.** The objective of the component is to facilitate the access of smallholders, especially women and youth, to appropriate financial services. The strategy will be to establish partnerships with sound microfinance institutions already working in the project area. The project will support the development and expansion of such microfinance institutions to enable them to reach out more effectively to smallholders.

35. **Project coordination and management.** The Ministry of Agriculture will have overall responsibility for project implementation. A small project coordination unit, located in Dolisie, will undertake coordination and overall management of the project. The existing liaison office in Brazzaville will ensure follow up on issues of project administration and logistics.

36. A project steering committee, chaired by the Ministry of Agriculture, will be established and will be responsible for overall guidance and the approval of annual work plans and budgets. The committee will be composed of representatives from relevant ministries including the Ministry of Agriculture; Ministry of Economy, Finance and Budget; Ministry of Equipment and Public Works; Ministry of Women Promotion and Women Integration into Development; Ministry of Primary and Secondary Education; and Ministry of Planning.

### D. Costs and Financing

37. The total cost of the project, which will be implemented over seven years, is estimated at USD 20.8 million, including physical and price contingencies. Foreign exchange accounts for approximately USD 5.4 million, or 26% of the total cost. The proposed IFAD loan of USD 8.4 million will cover 40% of the total cost. The Government will contribute USD 4.4 million (21%), which includes all duties and taxes and part of the road maintenance cost. The beneficiaries will contribute about USD 545 000 (3%). The OPEC Fund will contribute USD 7.5 million, or 36% of the total cost. The project costs are summarized in Table 1 below.

**TABLE 1: SUMMARY OF PROJECT COSTS<sup>a</sup>**  
(USD million)

Components	Local	Foreign	Total	% of Foreign Exchange	% of Base Costs
Access to markets and production zones	6.13	2.01	8.15	25	42
Support to crop, livestock and fisheries production and marketing	3.66	1.83	5.49	33	28
Support to rural water access	0.83	0.35	1.18	30	6
Development of financial services	0.92	0.46	1.39	33	7
Project coordination and management	2.65	0.49	3.14	16	16
<b>Total base costs</b>	<b>4.20</b>	<b>5.15</b>	<b>19.35</b>	<b>27</b>	<b>100</b>
Physical contingencies	0.29	0.10	0.39	25	2
Price contingencies	0.93	0.14	1.07	13	6
<b>Total project costs</b>	<b>15.42</b>	<b>5.39</b>	<b>20.81</b>	<b>26</b>	<b>108</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

**TABLE 2: FINANCING PLAN<sup>a</sup>**  
(USD million)

Components	IFAD		OPEC Fund		Government		Beneficiaries		Total		Foreign Exchange	Local (Excl. Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
Access to markets and production zones	-	-	6.53	72.3	2.50	27.7	-	-	9.03	43.4	2.17	5.70	1.16
Support to crop, livestock and fisheries production and marketing	4.22	73.1	0.08	1.4	1.08	18.7	0.39	6.8	5.77	27.7	1.88	2.81	1.08
Support to rural water access	0.03	2.2	0.88	70.0	0.18	14.7	0.15	12.5	1.24	5.9	0.36	0.70	0.18
Development of financial services	1.18	81.0	-	-	0.28	19.0	-	-	1.46	7.0	0.48	0.70	0.28
Project coordination and management	2.98	90.1	-	-	0.33	9.9	-	-	3.31	15.9	0.50	2.48	0.33
<b>Total disbursement</b>	<b>8.41</b>	<b>40.0</b>	<b>7.49</b>	<b>36.0</b>	<b>4.37</b>	<b>21.0</b>	<b>0.54</b>	<b>2.6</b>	<b>20.81</b>	<b>100.0</b>	<b>5.39</b>	<b>12.39</b>	<b>3.03</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

### E. Procurement, Disbursement, Accounts and Audit

38. **Annual work plan and budget.** The annual work plan and budget (AWP/B) will be prepared by the project coordination unit (PCU) on the basis of perceived demand among the target group, participative M&E workshops and the project operators' reports. The AWP/B will show detailed activities, unit costs and monitoring indicators for results and impact, as well as the modality of implementation. A flexible approach allowing the review of the AWP/B during the calendar year will be adopted. Once the AWP/B has been finalized, the PCU will submit it to the project steering committee for review and, subsequently, to the United Nations Office for Project Services (UNOPS) and IFAD for approval.

39. **Procurement** under the loan will be undertaken in accordance with IFAD procurement guidelines. Vehicles costing the equivalent of more than USD 100 000 will be purchased through the United Nations system (UNDP), on an exceptional basis, pending the approval of IFAD's new procurement guidelines. This procedure has been chosen because it is cheaper and allows the country to save foreign exchange needed for its development. Equipment, materials and civil works costing the equivalent of more than USD 100 000 will be procured through international competitive bidding. Vehicles, equipment and materials costing between USD 20 000 and USD 100 000 will be procured through national competitive bidding. Civil works costing between USD 15 000 and USD 100 000 will also be procured through national competitive bidding. Vehicles, equipment and materials costing less than USD 20 000 will be procured locally based on offers from at least three suppliers. Contracts costing less than USD 15 000 for civil works, including rehabilitation work, will be procured locally based on offers from at least three suppliers.

40. **Disbursement.** A special account will be opened and maintained by the PCU at a commercial bank acceptable to IFAD. The authorized allocation from IFAD loan proceeds will be EUR 500 000. This amount will be deposited in one instalment in the special account upon fulfilment of disbursement conditions.

41. The Government will open a project account in a commercial bank into which it will deposit its counterpart funds. Of the Government's contribution of USD 4.4 million, USD 3 million represents the usual import duties and taxes that have been waived and other taxes and duties not directly deductible at the time of procurement and USD 1.4 million is destined for road maintenance financing through a road maintenance fund. An initial deposit equivalent to XAF 170 million will be made by the Government into the project account to cover the first year of its contribution to road maintenance costs, as well as taxes on local expenses. For subsequent years, the Government's contribution will be based on the work plan of the given year.

42. **Accounts.** Withdrawals will be made from the loan account against statements of expenditure for categories of expenditures jointly determined by the Government, IFAD and the cooperating institution. The relevant documentation justifying these expenditures will be retained by the PCU and made available for inspection to supervision missions and external auditors. All other withdrawals from the loan account will be based on full supporting documentation.

43. **Audit.** An international audit firm acceptable to IFAD will be selected to undertake yearly financial and management audits. The project will finance the cost of these audits. The auditing firm will express its opinion as to whether tendering procedures, expenditure items and the use of goods and services are in compliance with the project implementation manual. It will also issue a separate opinion on statements of expenditure and the special account. The audit reports will be submitted to IFAD not later than six months after the close of the project financial year.

## F. Organization and Management

44. The organizational framework of the project entails a division of tasks and responsibilities among different entities.<sup>2</sup>

45. **Project management and coordination.** The project will be under the responsibility of the Ministry of Agriculture and managed by an independent PCU located in Dolisie. The role of the steering committee will be to approve the AWP/B and to oversee project activities.

### Institutional Responsibilities for the Project

46. Responsibility for project coordination at the national level will rest with the Ministry of Agriculture, which will delegate authority to the PCU for project management, implementation, coordination and strategy. The PCU will also undertake the administration and supervision of technical assistance, coordination of service providers and monitoring of their performance, the creation of organizational committees and the monitoring and evaluation of project activities. The PCU will ensure that appropriate monitoring is carried out and will report regularly on the extent to which project benefits are being secured by the target group, in particular women and youth. It will also establish and maintain links with partners operating in the project zone, i.e. local authorities, microfinance institutions, the European Union, UNDP, World Food Programme, UNOPS and the other projects working in the project zone.

47. **National-level oversight and facilitation.** A project steering committee will be set up to oversee project implementation. The PSC will be chaired by the Ministry of Agriculture and will comprise representatives of key ministries.

48. **Support services.** The project will be implemented through contractual arrangements involving private and public sector service providers. Three main implementing agencies, one for each department, will be responsible for implementation of the second, third and fourth components and will be supervised by the PCU. The delivery of services will be based on a business-oriented approach. Specialized subject matter specialists and institutions will also be contracted as needed to undertake specific tasks.

49. **Monitoring and evaluation.** The project will establish the M&E system and specific training and technical support will be provided to that end. With the help of technical support, a participatory reference (benchmark) survey will be undertaken at project start-up to determine the initial level of a set of anchor indicators. These include the nutritional status of children under five and socio-economic indicators (i.e. household assets). The survey will be repeated at project mid-term and project completion to assess project impact on the target population. Qualitative, quantitative and institutional indicators developed at start-up will be monitored to assess the effects of the project on the beneficiaries. The indicators will be disaggregated by gender whenever possible. Specialized thematic studies will be conducted when deemed necessary. Key staff from the relevant ministries will also monitor project implementation, and financial provision has been made for their missions.

## G. Economic Justification

50. The project will be implemented in high-potential productive areas. The livelihoods of beneficiaries are expected to improve significantly as a result of increased agricultural and livestock productivity and greater access to markets (which will increase the sale price of their products). The target population – including farmers' economic interest groups – will be trained and empowered to participate actively in project implementation and to conduct and manage their activities efficiently.

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<sup>2</sup> The project's organizational chart and flow of funds chart are presented in Appendix IV.

Village road maintenance committees will receive capacity-building in the highly labour-intensive method to ensure efficient and sustainable maintenance of rural roads.

51. It is estimated that at least 25% of the total population of the project zone, or about 15 000 farmers' households, will benefit directly from the project. At least 1 500 farmers' households will also benefit directly from the project activities related to livestock. More than 5 000 farmers' economic interest groups will adopt and use the improved seeds for maize, groundnuts, soybean, beans and palm oil, thereby increasing and diversifying incomes. Furthermore, road rehabilitation will positively affect all those living in the vicinity of the roads by improving sales of their products. It is expected that improved and disease-resistant cassava varieties will be used by most farmers' households, when made available. The capacity of 600 farmers' economic interest groups will be strengthened; and 200 communities will acquire access to water holes or boreholes, which will improve their living conditions.

52. The integration of women and youth into the decision-making process will strengthen their roles in the management of resources and the promotion of their activities. This, in turn, will allow them to develop their economic activities, increase their incomes and improve their status within the community.

### **H. Risks**

53. The implementation of most of the project activities will be the responsibility of implementing agencies (operators). This means that such agencies must be available and have the required capacity and competencies to adequately perform their tasks. However, some agencies may not have the necessary skills, and this could have a bearing on project results.

54. A major aim of the project is to open up high-potential production areas through rural road maintenance activities. It is expected that the Government will regularly release the funds necessary (through road maintenance funds from the second year) to ensure the timely maintenance of the project-rehabilitated roads using the labour-intensive method. However, the Government may not entirely fulfil its commitment to release these funds and this would negatively affect the project.

55. The development of financial services will be undertaken by forming partnerships with existing microfinance institutions, with the understanding that starting in 2007 these institutions will adopt new strategies to expand their interventions in the rural sector and work with the project target group. The project will support the development of these microfinance institutions to enable them to reach the target group. However, some such institutions may not have interventions in rural areas, and this would adversely affect the project.

### **I. Environmental Impact**

56. The rehabilitation of rural roads and growth in agricultural marketing, while improving smallholders' incomes, may increase the area brought under cultivation. However, given the zone's low population density and untapped natural resources and the fact that improved crop varieties are being adopted under the project, it is expected that any pressure on land and forests will be too minor to provoke a significant negative effect on the environment. The project will not introduce new agricultural techniques; rather it will build on traditional cropping methods. Any adverse impact on the soil will therefore be very limited. Crop intensification will be based on the introduction of improved seeds and disease-resistant cassava varieties. Chemical fertilizer will not be used. The increase in smallholders' incomes resulting from greater agricultural and livestock productivity should to some extent reduce the need to hunt and to collect forest products. This should ease the pressure on natural resources.

### **J. Innovative Features**

57. Project resources will finance the maintenance of rural roads only for the first two years, the time needed to establish and experiment with the labour-intensive approach and train village communities. From the third year of project implementation, it is envisaged that the Government will be fully in charge of the maintenance of the rural roads rehabilitated by the project. A road maintenance fund has recently been established using oil revenue and this will ensure the financing of road maintenance costs. Road maintenance will be carried out in a sustainable manner.

58. A phased strategy has been adopted to assure appropriate implementation of the project. Road rehabilitation will be a pre-requisite for starting any activity in the high-potential production zones. This is to ensure that any agricultural and livestock surplus can be easily transported to markets.

59. The highly labour-intensive method for rural road maintenance has been tested in the Congo by a UNOPS pilot project. The proposed project will build on lessons and experience gained from this pilot project to allow scaling up of the method in the rehabilitation and maintenance of rural roads in the three departments.

### **PART III – LEGAL INSTRUMENTS AND AUTHORITY**

60. A loan agreement between the Republic of the Congo and IFAD will constitute the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement is attached as an annex.

61. The Republic of the Congo is empowered under its laws to borrow from IFAD.

62. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

### **PART IV – RECOMMENDATION**

63. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of the Congo in various currencies in an amount equivalent to five million nine hundred thousand special drawing rights (SDR 5 900 000) to mature on or prior to 1 February 2046 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President



**SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES  
INCLUDED IN THE NEGOTIATED LOAN AGREEMENT**

(Negotiations concluded on 31 March 2006)

1. The Government of the Republic of the Congo (the Government) will make funds, facilities, services and other resources available to the Ministry of Agriculture, Livestock and Fisheries (the lead project agency) and to each of the project parties in order to implement the project in accordance with the provisions of the loan agreement.
2. The Government will also make available to the lead project agency, during the project implementation period, counterpart funds drawn on its own resources in an aggregate amount equivalent to USD 4 368 000 in accordance with its customary national procedures for development assistance. This amount will be used to cover the Government's assumption of part of the costs for track maintenance and all levies and duties on imports, goods and services.
3. The Government will make an initial deposit of counterpart funds into the project account in the amount of XAF 170 million to cover the first year of project implementation. The Government will replenish the project account each year and in advance by depositing counterpart funds therein in accordance with the respective AWP/B. The project will be included in the government investment programme.
4. As part of maintaining sound environmental practices, the Government will ensure that appropriate pest management practices are observed under the project. To that end, it will ensure that pesticides procured under the project do not include any pesticide either proscribed by the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organization of the United Nations, as amended from time to time, or listed in Tables 1 (Extremely Hazardous) and 2 (Highly Hazardous) of the World Health Organization's Recommended Classification of Pesticides by Hazard and Guidelines to Classification 1996-1997, as amended from time to time.
5. The M&E system will gather and analyse data from various sources on the implementation of the activities called for in the AWP/Bs, the approaches and mechanisms for coordination and monitoring, the effective involvement of beneficiaries and of vulnerable groups in particular, the impact on beneficiaries. The effectiveness of the M&E system will be one of the project performance criteria. The M&E officer will be responsible for the centralization and analysis of data, preparation and monitoring of the management dashboard for the activities, consolidation of internal reports of operators and preparation of the periodic reports called for in the loan agreement, organization of baseline surveys to assess the impact on beneficiaries and M&E support for PCU staff and operators. To facilitate the implementation of M&E, the staff of the PCU will conduct, at project start-up, information missions to other projects in the Congo equipped with well-performing M&E systems.
  - 5.1. Internal monitoring will be conducted on a permanent basis and will be geared towards monitoring the implementation of activities, performance and results. It is a responsibility of the PCU. The beneficiaries and operators will play a pivotal role in the monitoring of activities. Monitoring briefs will be produced monthly and forwarded on a quarterly basis. To monitor day-to-day management of the project, more frequent communication is necessary and will be provided in the form of a weekly meeting of the core PCU team and a monthly meeting open to the principal operators. For such cases, operators are to prepare monthly reports. The project M&E officer, in close liaison with the project coordinator, will produce monthly notes, an analytical report each quarter, and an annual report as input for the preparation of the annual activity report of the project. These reports will identify gaps between expected and actual results, and are to provide explanations for such gaps as well as applicable recommendations.

5.2. Evaluation activities will aim to evaluate the project impact on beneficiaries and the degree to which the overall objective and specific objectives are attained. Internal and external evaluation documents will be presented to the steering committee and to IFAD.

5.2.1. At the beginning of the project's intervention in each village, the baseline indicators and data for subsequent evaluation will be gathered in order to provide regular monitoring of these indicators. With regard to internal evaluation, participatory M&E workshops will be held at least once a year in each village. The workshops will be moderated by the extension agent, assisted by external consultants if necessary.

5.2.2. A baseline anthropometric survey and a baseline socio-economic survey will be organized in year 1 and will be repeated at mid-point and in year 7. The anthropometric survey will make it possible to monitor project impact on the nutritional status of the population, especially children under 5. The socio-economic survey will be based on the IFAD Results and Impact Management System.

6. The PCU will prepare an initial version of the manual of administrative, financial and accounting procedures and submit it to the lead project agency for approval. The lead project agency will forward the manual to IFAD for comment and approval. Lacking any comment by IFAD within the 30 days following receipt, the manual will be deemed approved.

7. Project personnel will be insured against health and accident risks in accordance with usual practice in the country.

8. Project staff will be recruited through local calls for bids published in the national press in accordance with current procedures of the Government and on the basis of renewable fixed-term contracts. The recruitment of the main project officers – i.e. the PCU coordinator, the administrative and financial officer, the programming and M&E officer, the production and marketing support officer, the officer responsible for development of rural financial systems, the drinking water and road infrastructure officer, and the accountant and accounting clerk – as well as any decision to terminate their contract will be decided in agreement with IFAD. Project staff will be subject to annual performance evaluations, and their contracts may be terminated on the basis of the findings of these evaluations. The recruitment and management of support personnel will observe applicable procedures in force in the Congo.

9. No form of discrimination based on gender, age, ethnic background or religious belief will be permitted during recruitment of project staff, in accordance with applicable legislation of the Republic of the Congo. However, all other things being equal, the Government agrees to give preference to women candidates, especially for technical posts to be filled under the project.

10. IFAD approval of the manual of administrative, financial and accounting procedures is stipulated as a condition precedent to disbursement.

11. The following are specified as conditions precedent to effectiveness:

- (a) the key staff of the PCU – i.e. the project coordinator, the administrative and financial officer, the programming and M&E officer, the production and marketing support officer, the officer responsible for development of rural financial systems, and the drinking water and road infrastructure officer – have been selected according to the procedure set forth in the loan agreement;
- (b) the special account has been opened at a commercial bank in Dolisie or at such other banking establishment as agreed by IFAD;

## ANNEX

- (c) the project account has been opened and the counterpart funds necessary for implementation of the first year of the project, i.e. the amount of XAF 170 million, has been deposited therein;
- (d) the project has been included in the Government's investment programme; and
- (e) a favourable legal opinion, issued by the Supreme Court and acceptable in form and content, has been forwarded by the Government to IFAD.



APPENDIX I

COUNTRY DATA

CONGO

<b>Land area (km<sup>2</sup> thousand) 2003 1/</b>	342	<b>GNI per capita (USD) 2003 1/</b>	650
<b>Total population (million) 2003 1/</b>	3.76	<b>GDP per capita growth (annual %) 2003 1/</b>	-0.1
<b>Population density (people per km<sup>2</sup>) 2003 1/</b>	11	<b>Inflation, consumer prices (annual %) 2003 1/</b>	-1
<b>Local currency</b>	CFA Franc (XAF)	<b>Exchange rate: USD 1 =</b>	XAF 700
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (average annual population growth rate) 1997-2003 1/	3.0	GDP (USD million) 2003 1/	3 564
Crude birth rate (per thousand people) 2003 1/	44	Average annual rate of growth of GDP 2/ 1983-1993	0.6
Crude death rate (per thousand people) 2003 1/	14	1993-2003	2.4
Infant mortality rate (per thousand live births) 2003 1/	81	Sectoral distribution of GDP 2003 1/	
Life expectancy at birth (years) 2003 1/	52	% agriculture	6
Number of rural poor (million) (approximate) 1/	n/a	% industry	60
Poor as % of total rural population 1/	n/a	% manufacturing	6
Total labour force (million) 2003 1/	1.53	% services	34
Female labour force as % of total 2003 1/	43	Consumption 2003 1/	
<b>Education</b>		General government final consumption expenditure (as % of GDP)	17
School enrolment, primary (% gross) 2003 1/	80 a/	Household final consumption expenditure, etc. (as % of GDP)	36
Adult illiteracy rate (% age 15 and above) 2003 1/	17 a/	Gross domestic savings (as % of GDP)	47
<b>Nutrition</b>		<b>Balance of Payments (USD million)</b>	
Daily calorie supply per capita	n/a	Merchandise exports 2003 1/	3 055
Malnutrition prevalence, height for age (% of children under 5) 2003 2/	19 a/	Merchandise imports 2003 1/	1 200
Malnutrition prevalence, weight for age (% of children under 5) 2003 2/	14 a/	Balance of merchandise trade	1 855
<b>Health</b>		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2003 1/	2 a/	before official transfers 2003 1/	-13
Physicians (per thousand people) 2003 1/	n/a	after official transfers 2003 1/	-3
Population using improved water sources (%) 2002 2/	46	Foreign direct investment, net 2003 1/	201
Population with access to essential drugs (%) 2/	n/a	<b>Government Finance</b>	
Population using adequate sanitation facilities (%) 2002 2/	9	Cash surplus/deficit (as % of GDP) 2003 1/	-5 a/
<b>Agriculture and Food</b>		Total expenditure (% of GDP) 2003 1/	n/a
Food imports (% of merchandise imports) 2003 1/	n/a	Total external debt (USD million) 2003 1/	5 516
Fertilizer consumption (hundreds of grams per ha of arable land) 2003 1/	12 a/	Present value of debt (as % of GNI) 2003 1/	368
Food production index (1999=100) 2003 1/	106	Total debt service (% of exports of goods and services) 2003 1/	4
Cereal yield (kg per ha) 2003 1/	777	Lending interest rate (%) 2003 1/	18
<b>Land Use</b>		Deposit interest rate (%) 2003 1/	5
Arable land as % of land area 2003 1/	1 a/		
Forest area as % of total land area 2003 1/	65 a/		
Irrigated land as % of cropland 2003 1/	0 a/		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* CD ROM 2005

2/ UNDP, *Human Development Report*, 2005

**PREVIOUS IFAD FINANCING IN THE CONGO**

<b>Project Name</b>	<b>Approved Loan Amount in SDR</b>	<b>Board Approval</b>	<b>Loan Signing</b>	<b>Loan Effectiveness</b>	<b>Current Closing Date</b>	<b>Disbursement as % of Approved Amount</b>	<b>Cooperating Institution</b>	<b>Project Status</b>
La Cuvette Artisanal Fisheries Project	4 250 000	20 Apr 83	30 May 83	02 Jul 84	31 Dec 91	66	AfDB	Closed
Kindamba Food Crops Development Project	3 600 000	30 Apr 86	02 Jun 86	25 Aug 87	31 Dec 94	54	World Bank: IDA	Closed
Marketing and Local Initiatives Project	6 100 000	12 Dec 90	21 Dec 90	09 Mar 92	31 Dec 97	14	UNOPS	Closed
Rural Development Project in the Plateaux, Cuvette and Western Cuvette Departments (PRODER)	8 050 000	21 Apr 04	20 May 04	27 Oct 04	30 Jun 12	9.59	UNOPS	Ongoing

AfDB = African Development Bank

IDA = International Development Association (World Bank Group)

### LOGICAL FRAMEWORK

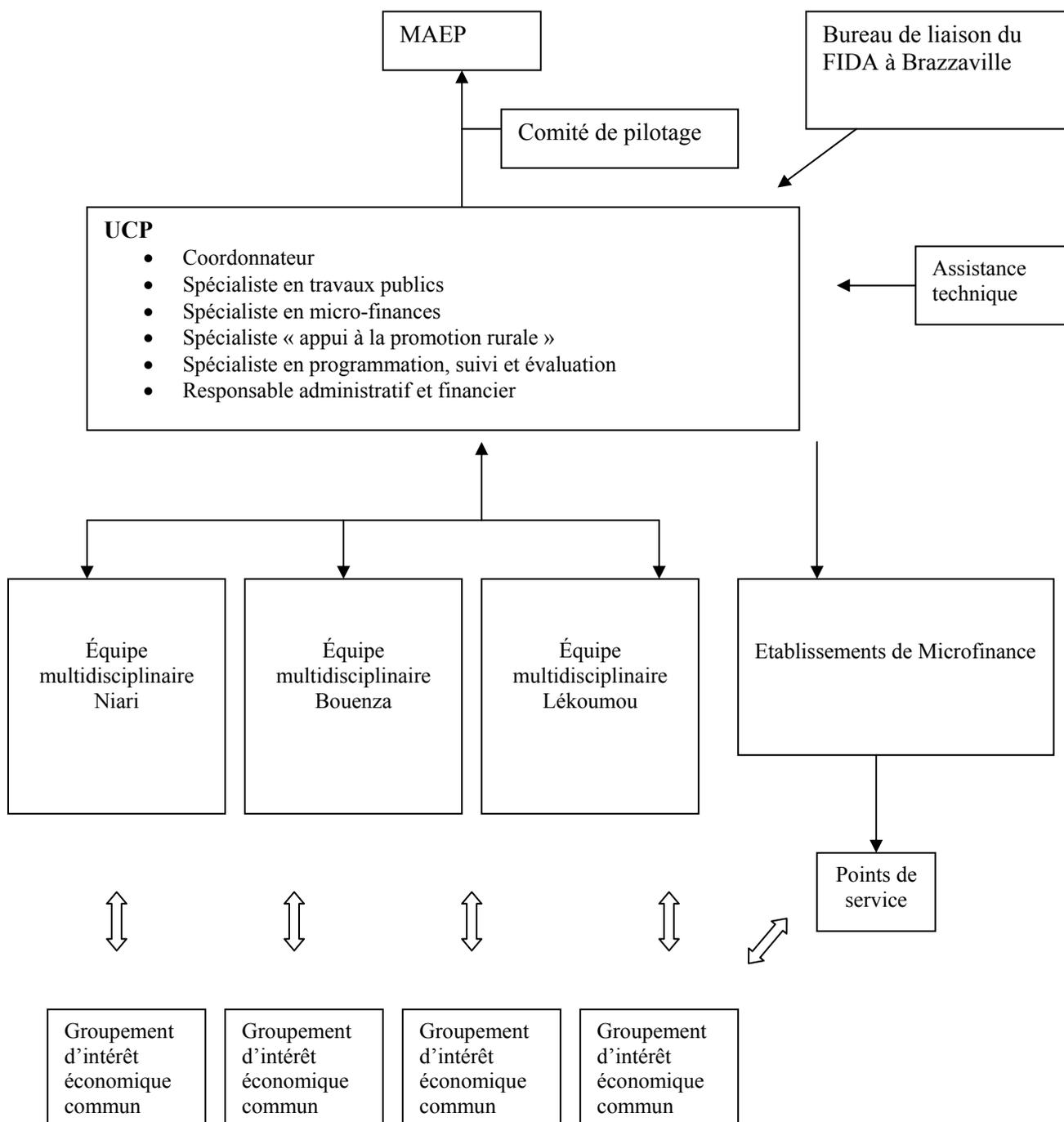
Summary	Objectively Verifiable Indicators	Sources of Verification	Assumption
<b>General Objective</b>			
The incomes and food security of the target smallholders are significantly improved	. RIMS Anchor 1: Reduction in child malnutrition . RIMS Anchor 2: Increase of household assets index of the smallholders' producers	. Anthropometric and nutritional survey (Child malnutrition data) . Socio-economic impact survey benchmark surveys and impact assessment studies); . Household income and poverty studies; . Mid-term review reports - Supervision reports - Completion reports	Government agreement to undertake surveys of children under five years old ensured
<b>Specific Objectives</b>			
Access to markets and production zones significantly improved	Smallholders with access to markets Number of Km of roads rehabilitated and maintained Unit transport cost of agricultural products Producers and marketing actors with improved information on price and market transactions	-M&E reports -Special Studies -Special Reports	Existence and/or establishment of a durable decentralized maintenance system.
Productivity and marketing of smallholder crops, livestock and fishery improved	Yields of major crops Production of major crops Small animal production Volume of production sold Information on price and markets	-M&E reports -Special impact studies -Special reports -Impact surveys -Mid-term reviews	Partnership and collaboration with other donors' projects and programmes is established
Access of smallholder to drinkable water significantly improved	Number of water holes and boreholes rehabilitated and operational Number of village water committees operational	-M&E and supervision reports -Mid-term reviews -Diagnostic reports	Partnership and collaboration with other donors is established and operational
Financial Services Access of the target smallholders improved	Number of rural poor with access to financial services by gender Number of financial micro-financial institutions strengthened Volume of credits received by gender	-M&E reports - Special impact studies - Micro-financial institutions audits - Special reports.	Existence of micro financial institutions interested in working with rural smallholders

	Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Assumptions
<b>Component 1</b>				
<b>Expected Results</b>	<b>Result 1. Access to Markets and Production Zones Improved</b>  1.1. Transport costs reduced and sales of agricultural products facilitated with increased volume of sales 1.2. Market information system is established and operational 1.3. The link between farmers' groups producers and the markets is well established and operational	<ul style="list-style-type: none"> <li>- Number of villages and population with improved access to markets</li> <li>- Number of km of roads well maintained</li> <li>- Percentage of transport cost reduction</li> <li>- Number of farmers' groups producers connected to the market with buyers</li> <li>- Volume of sales</li> </ul>	<ul style="list-style-type: none"> <li>- M&amp;E reports</li> <li>- Mid-term review</li> <li>- Benchmark surveys</li> <li>- Specific studies</li> </ul>	<ul style="list-style-type: none"> <li>- Local maintenance system established</li> <li>- Populations are involved in road maintenance</li> </ul>
<b>Component 2</b>				
<b>Expected Results</b>	<b>Result 2. Enhanced Incomes and Food Security of smallholders</b>  2.1. Farmers effectively use the improved seed varieties promoted by the project 2.2. Small farmers have increased their stock of small animals 2.3. Farmers groups and organizations strengthened 2.4. Smallholders have adopted new technologies and are using them	<ul style="list-style-type: none"> <li>- Number of farmers' organisation trained by gender</li> <li>- Farmers adoption rate of improved seeds and cuttings</li> <li>- Quantity of improved seeds and cuttings distributed</li> <li>- Number of small animal distributed to farmers by gender</li> </ul>	<ul style="list-style-type: none"> <li>- Benchmark surveys</li> <li>- Participatory evaluations</li> <li>- M&amp;E reports</li> <li>- Mid term review reports</li> <li>- Completion reports</li> <li>- Supervision mission reports</li> </ul>	<ul style="list-style-type: none"> <li>- Farmers are open to innovations</li> <li>- Other donors complement project efforts</li> </ul>
<b>Component 3</b>				
<b>Expected Results</b>	<b>Result 3: Access to drinkable water</b>  3.1. Water holes and boreholes rehabilitated are operational 3.2. Smallholders have access to drinkable water and 3.3 Water holes and boreholes rehabilitated are well maintained	<ul style="list-style-type: none"> <li>- Number of water holes built</li> <li>- Number of boreholes rehabilitated</li> <li>- Number of village, communities and people with access to drinkable water</li> <li>- Water committees created and operational</li> </ul>	<ul style="list-style-type: none"> <li>- Reports of operators</li> <li>- M&amp;E Reports</li> <li>- Supervisions mission reports</li> <li>- Follow-up reports</li> </ul>	<ul style="list-style-type: none"> <li>- Existence of specialised operators</li> </ul>

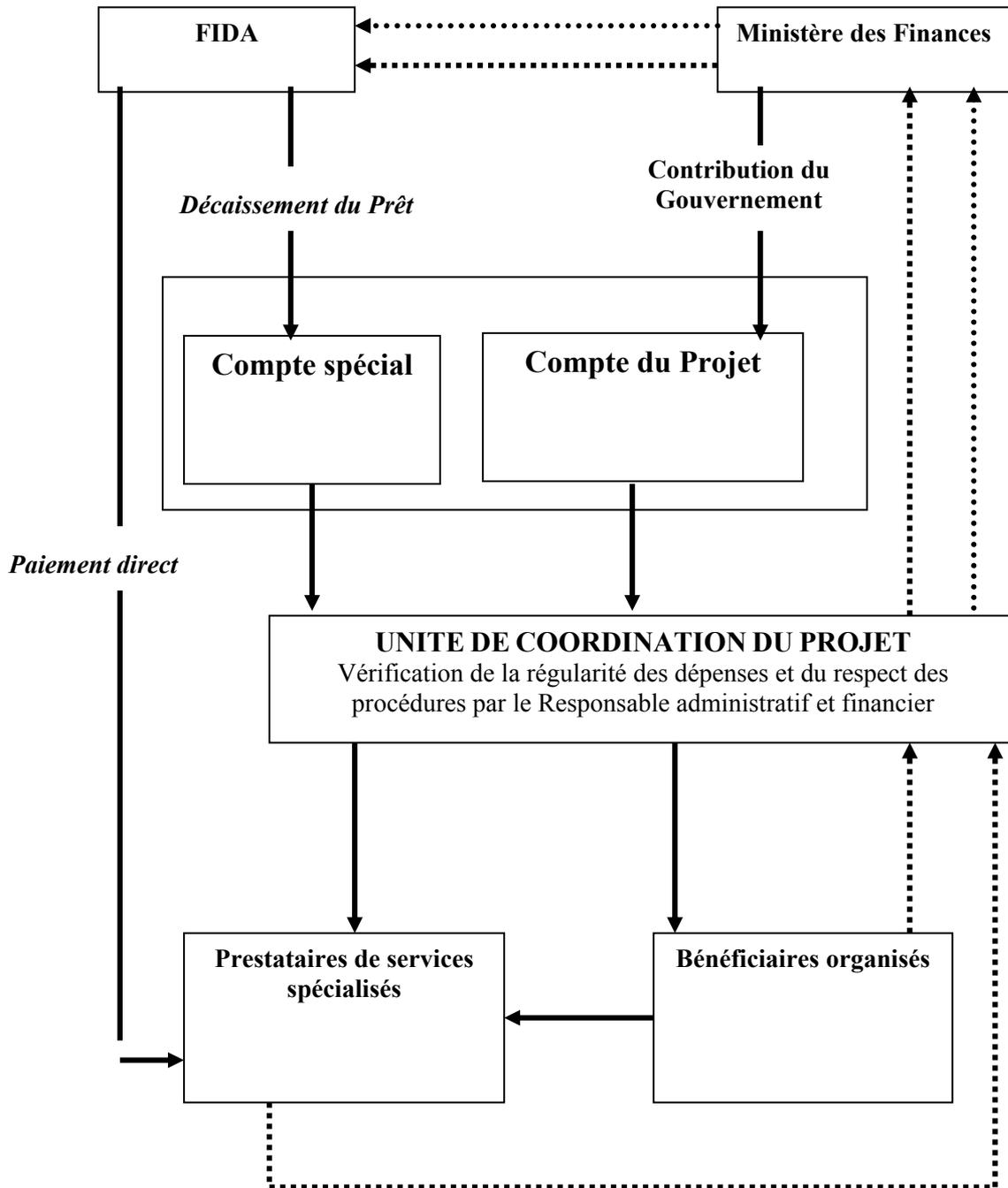
	Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Assumptions
	<b>Component 4</b>			
<b>Expected Results</b>	<p><b>Result 4: Improved Access to Rural Financial Services</b></p> <p>4.1. A network of financial services institutions is established and operational</p> <p>4.2. Rural micro financial institutions provide small loans to poor rural households</p> <p>4.3. Rural micro financial services have reached a certain degree of autonomy and financial viability</p> <p>4.4 Women are well represented in the board of rural micro financial institutions</p> <p>4.5 Diversified and appropriate financial services for smallholders are available in the project zone</p>	<ul style="list-style-type: none"> <li>- Number of financial services created</li> <li>- Number of persons with access to financial services by gender</li> <li>- Volume of credits made to target groups by gender</li> <li>- Number of loans made/gender</li> <li>- Number of women in boards of rural self managed financial institutions</li> <li>- Overall reimbursement rate of credit</li> </ul>	<ul style="list-style-type: none"> <li>- Study reports</li> <li>- Activity reports of service providers</li> <li>- M&amp;R reports</li> <li>- External evaluation reports</li> <li>- Follow up missions reports</li> <li>- Supervision mission reports</li> <li>- Audit reports of micro-financial institutions.</li> </ul>	<ul style="list-style-type: none"> <li>- Private operators interested in the rural finance exist in the project zone</li> </ul>
	<b>Component 5</b>			
<b>Expected Results</b>	<p><b>Result 5: Improved Project Organization and Management</b></p> <p>5.1. Project management and coordination system is operational and performing</p> <p>5.2. The monitoring and evaluation system is operational and performing</p> <p>5.3. The project coordinating entities and committees established and operational</p>	<ul style="list-style-type: none"> <li>- Availability and use of Implementation manual</li> <li>-Timely mobilization of human resources for project management and coordination</li> <li>- Project implementation according to schedule</li> <li>-M&amp;E system is efficient</li> <li>-Benchmark surveys, participatory surveys and thematic studies organized according to schedule</li> <li>-Monitoring and Evaluation used as a management tool</li> <li>-Government Support of the project is effective</li> <li>-Steering committee effectively operational</li> </ul>	<ul style="list-style-type: none"> <li>- Project activity reports</li> <li>-Monitoring and evaluation reports</li> <li>-Supervision reports</li> <li>-Annual audit reports</li> <li>-Recommendations formulated by the steering committee</li> <li>-Mid-term review</li> <li>Final Evaluation report.</li> </ul>	<ul style="list-style-type: none"> <li>- The; project's administration and financial management autonomy is respected</li> <li>- Existence of competent implementation agencies.</li> </ul>

ORGANIGRAMMES

1. Organigramme du PRODER-SUD



## 2. Flux financiers du PRODER-SUD



Légende :

- > Flux financiers
- .....> Certification des dépenses (factures et décomptes)
- .....> Résumés certifiés des dépenses et demandes de retrait de fonds (DRF)